

AMENDED IN SENATE JUNE 20, 2012

SENATE BILL

No. 1383

Introduced by Senator Hernandez

February 24, 2012

An act to ~~amend Section 37421~~ *add and repeal Section 37420.5* of the Government Code, relating to local government *water utilities*, and *declaring the urgency thereof, to take effect immediately*.

LEGISLATIVE COUNSEL'S DIGEST

SB 1383, as amended, Hernandez. Local government: sales of *specific water utility* property.

Existing law provides a procedure *that is generally applicable* for a city to sell its real property. *Other existing law establishes specific procedures for sale of public utility property owned by a municipal corporation, with special provisions that are applicable to the sale of property of a water utility.*

This bill would ~~make a technical, nonsubstantive change to these provisions~~, notwithstanding any other law, until January 1, 2014, *authorize the City of El Monte in the County of Los Angeles, which owns and operates a public utility for furnishing water service, to sell or transfer all or any part of the utility pursuant to the procedures that are generally applicable to a sale of real property by a city, if certain requirements are met.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 37420.5 is added to the Government Code,*
2 *to read:*

3 37420.5. (a) *Notwithstanding any other law, the City of El*
4 *Monte in the County of Los Angeles, which owns and operates a*
5 *public utility for furnishing water service, may sell or transfer all*
6 *or any part of the public utility pursuant to this article or Article*
7 *1 (commencing with Section 37350), subject to the following*
8 *requirements:*

9 (1) *The legislative body of the City of El Monte shall not sell*
10 *the water utility property for less than its fair market value,*
11 *determined in accordance with the Public Water System Investment*
12 *and Consolidation Act of 1997 (Chapter 2.5 (commencing with*
13 *Section 2718) of Part 2 of Division 1 of the Public Utilities Code).*

14 (2) *The entity acquiring the City of El Monte's water utility*
15 *property shall be a water corporation, as defined in Section 241*
16 *of the Public Utilities Code, that, at the time of the sale or transfer,*
17 *is authorized by the Public Utilities Commission to provide water*
18 *service to at least 50 percent of the area within the corporate limits*
19 *of the city, and maintains its corporate headquarters within the*
20 *corporate limits of the city.*

21 (3) *Upon acquiring the City of El Monte's water system, the*
22 *acquiring water corporation assumes the obligation to provide*
23 *water service to all persons in the area formerly served through*
24 *the water system being sold by the city on the same terms and*
25 *conditions that the Public Utilities Commission has found to be*
26 *just and reasonable for the acquiring water corporation's other*
27 *customers in the city and that do not unlawfully discriminate*
28 *against the previous customers of the city's water system.*

29 (b) *This section shall remain in effect only until January 1, 2014,*
30 *and as of that date is repealed, unless a later enacted statute, that*
31 *becomes operative on or before January 1, 2014, deletes or extends*
32 *the date on which it is repealed.*

33 SEC. 2. *The Legislature finds and declares that a special law*
34 *is necessary and that a general law cannot be made applicable*
35 *within the meaning of Section 16 of Article IV of the California*
36 *Constitution because of unique circumstances applicable to the*
37 *city of El Monte in the County of Los Angeles, which owns a water*
38 *utility that the city's legislative body finds is no longer in the public*

1 *interest to own and operate and desires to sell, but is unable to do*
2 *so in a timely manner because statutes authorizing the sale of city*
3 *property appear to conflict with one another, preventing the city*
4 *from selling the water utility without an election. In order to enable*
5 *the city in these special circumstances to timely complete a sale*
6 *of property in the public interest, a statute of general applicability*
7 *cannot be enacted within the meaning of subdivision (b) of Section*
8 *16 of Article IV of the California Constitution, and therefore this*
9 *special statute is necessary.*

10 *SEC. 3. This act is an urgency statute necessary for the*
11 *immediate preservation of the public peace, health, or safety within*
12 *the meaning of Article IV of the Constitution and shall go into*
13 *immediate effect. The facts constituting the necessity are:*

14 *In order to provide the City of El Monte in the County of Los*
15 *Angeles with the clear authority to sell a city-owned water utility*
16 *while financial conditions are favorable to the city and the sale is*
17 *in the public interest, it is necessary for this act to take effect*
18 *immediately.*

19 ~~SECTION 1. Section 37421 of the Government Code is~~
20 ~~amended to read:~~

21 ~~37421. When the legislative body of a city finds that the public~~
22 ~~interest and convenience require the sale of any public building~~
23 ~~and site dedicated to a public use, it may adopt a resolution of its~~
24 ~~finding and intention to sell the property.~~